

**MINUTES**  
**CITY OF WOODSTOCK**  
**WOODSTOCK POLICE PENSION BOARD**  
**QUARTERLY MEETING**  
October 12, 2021

The Quarterly Meeting of the Woodstock Police Pension Board was called to order by President Dennis Leard at 6:09 PM on Tuesday, October 12, 2021 via video conference in accordance with Section 6 of Governor Pritzker's Executive Order 2020-07 (COVID-19 Executive Order No. 5) for the purposes set forth in the posted agenda.

The call of this Quarterly meeting is to cover the agenda items. Notice of this meeting was posted forty-eight hours in advance on the City of Woodstock's website and Woodstock Police Department. All Board members were notified of this meeting.

Board Members Present:        Joshua Fourdyce, Gordon Knapp, and Dennis Leard.

Board Members Absent:        Terry Abrams and Jeremy Mortimer.

Others Present: Dave Wall, Financial Consultant and Carolyn Clifford, Attorney.

Staff Present:                      Assistant City Manager/Finance Director Paul Christensen,  
Administrative Assistant Paola Ramirez and Executive  
Assistant/Chief Deputy City Clerk Jane Howie.

**Public Comment:** None.

**Acceptance of Minutes:** G. Knapp made a motion to approve the Minutes from the July 13, 2021 Regular Meeting as presented. Seconded by J. Fourdyce. A roll call was taken.

Ayes:        Joshua Fourdyce, Gordon Knapp, and President Dennis Leard.

Nays:        None.

Abstentions:        None.

Absentees:        Terry Abrams and Jeremy Mortimer.

Motion carried.

**Accountant/Treasurer's Report**

**A. Review of Financial Statements**

P. Christensen displayed and shared the financial statements. He indicated that as of 9/30/21 there was \$448,000 being held by the City and \$29 million in fund balance. P. Christensen asked D. Wall whether the City should hold on to the \$448,000 or send it to D. Wall to invest. D. Wall said bonds are terrible and are losing money. He suggested the City hold onto the cash for benefit payments. P. Christensen stated that the City is able to generate 20-25 basis points for the pension fund money being held by the City. D. Leard asked for clarification for invoices received from D. Wall that he believed were more than \$10,000. P. Christensen indicated that invoices were from October and not processed yet. C. Clifford asked if the cash being held by the City in the checking account is wholly owned by the pension fund. P. Christensen stated it is co-mingled. C. Clifford said the local account being

kept for the Fund's benefit payments may have to be separate from the City's account once consolidation is in progress, as it is likely that the consolidated fund will not allow transfers of pension assets to a comingled account. P. Christensen said he would set up a wholly-owned subsidiary account, if necessary.

### **B. Payment of Bills**

P. Christensen explained the payments. He noted that there were \$120,000 in annuitants' payments in July, which was the last month before J. Parsons retired. Now the Fund is paying \$127,000 in monthly benefits.

Motion by J. Fourdyce for payment of bills and acceptance of the financial statements, second by G. Knapp. A roll call was taken.

Ayes: Joshua Fourdyce, Gordon Knapp, and President Dennis Leard.

Nays: None.

Abstentions: None.

Absentees: Terry Abrams and Jeremy Mortimer.

Motion carried.

### **Investment Report – Wall Capital Group Dave Wall**

#### **A. Quarterly Investment Performance Report**

D. Wall shared his report. He stated that it was decent year to date with investment earnings being up 9%. He also stated he was coming up on his two-year anniversary with the Woodstock Police Pension Fund. D. Wall indicated the operating account is holding \$28,000. He stated that bonds have been in a very challenging period in the past 12 months, which may continue. He indicated pressure on interest rates and some inflation due to the high demand and low supply. D. Wall went on to discuss the different portfolios.

J. Fourdyce asked if any public pension funds in general are allocating funds to cryptocurrencies. D. Wall has not seen anyone do it and does not recommend it. He says the SEC is looking into mutual funds and ETFs that invest in cryptocurrencies. D. Wall does not believe any approval will happen in the next six months. C. Clifford recently attended a conference that touched on crypto currency. She said with the dynamics leading toward investments that are align with positive environmental, social and governance issues, it has been observed that crypto currency may not align with those goals.

### **Review and Possible Action on Asset Allocation and/or Investment Policy- No discussion**

D. Wall left meeting at 6:31 pm.

### **Communications and Report**

#### **A. Status of IPOPIF Asset Transfer Activities and Pending Litigation**

Attorney Clifford said things are moving along slowly on the consolidation for police funds. She updated the Board on pending litigation involving the consolidation law. C. Clifford mentioned that one of her colleagues listened to the recent meeting of the Illinois Police Officers Pension Investment Fund (IPOPIF) and that the Executive Director stated the goal is to begin the transfer

of assets on December 1, 2021, which she believes is an unrealistic timeline. She stated a Temporary Restraining Order was filed in September 2021 by the plaintiffs in the pending litigation but that motion was denied by the judge. The judge also dismissed all Article 3 and Article 4 funds as plaintiffs in the litigation. She explained plaintiffs that remain in the action are active and retired individuals. In November the plaintiffs are seeking to certify the class of all Article 3 and 4 members, and we may see some final decisions by the judge on the litigation at that time. Pending summary judgment motions are also likely to be decided in November by the judge. C. Clifford would describe the litigation as on life support, although C. Clifford stated that the judge could find the law unconstitutional. She stated that if found constitutional, an appeal would be a very slow process through the appellate court. However, if the judge finds the law unconstitutional, the appeal would move directly to the Illinois Supreme Court and likely be reviewed immediately. P. Christensen asked who would be paying the attorney fees, since the pension funds were pulled out. C. Clifford believes attorneys may have taken a retainer. C. Clifford will keep the Board updated as things progress.

### **Applications for Membership/Withdrawals from Fund**

Kevin Avers – Date of Entry 5/03/2021; Tier II

Mitchell Marino - Date of Entry 5/3/2021; Tier II

### **Applications for Retirement/Disability Benefits**

#### **A. Sandra Valle (Beginning on October 7, 2021)**

P. Christensen said the Board had passed a motion to allow Ms. Valle to buy back creditable service for time she had been on FMLA. P. Christensen shared her benefit calculation and her annual salary for the Board's review.

Motion to approve the applications for membership of Kevin Avers and Mitchell Marion, and the Retirement Benefits for Sandra Valle as presented by J. Fourdyce, second by G. Knapp. A roll call was taken.

Ayes: J. Fourdyce, G. Knapp and President D. Leard.

Nays: None.

Abstentions: None.

Absentees: T. Abrams and J. Mortimer.

Motion carried.

### **Old Business - None**

### **New Business**

**Establish 2022 Board Meeting Dates:** Board will continue to meet on a quarterly basis on January 11, April 12, July 12, and October 11, 2022 at 6 p.m. They will continue to meet via Zoom if still allowed.

Motion to approve meeting dates for 2022: J. Fourdyce, second by G. Knapp. A roll call was taken.

Ayes: J. Fourdyce, G. Knapp and President D. Leard.

Nays: None.

Abstentions: None.

Absentees: T. Abrams and J. Mortimer.

Motion carried.

### **Approve Attorney Engagement Letter and Retainer for 2022**

P. Christensen indicated a fee of \$390 per month, which is a \$10 increase from last year. C. Clifford confirmed that the verbiage for the engagement letter is the same. C. Clifford thanked the Board and appreciates being retained again for another year.

Motion to approve the attorney engagement letter and retainer for 2022 by J. Fourdyce, second by G. Knapp. A roll call was taken.

Ayes: J. Fourdyce, G. Knapp and President D. Leard.

Nays: None.

Abstentions: None.

Absentees: T. Abrams and J. Mortimer.

Motion carried.

### **ACTUARY REPORT**

P. Christensen said the actuarial valuation is in the packet. The Fund had a fantastic investment year, which drastically reduced the unfunded liability. Mr. Christensen stated accrued liability went up though not by much. This change was offset by the death annuity table. He stated that the Fund went from 58.7% to 76.2% funded. P. Christensen said he's never seen a pension fund funded above 70%, so this is unbelievably good. C. Clifford said it is really difficult to judge based solely on funded percentage, since it is based on the assumptions and methodology used which varies amongst funds. However, she noted that it is great to see this improvement year to year. She stated that it helps that the City is funding the Fund appropriately.

P. Christensen discussed market return for the year indicating 30.8%. Discussion ensued. P. Christensen indicated that he has suggested to the City Manager that the City fund at the same amount as last year despite the report indicating a decrease to the recommended contribution. P. Christensen indicated that because of the death of one of the pension members, the actuarial liability went down approximately \$1 million. C. Clifford asked for clarification on the statutory minimum. P. Christensen indicated that it is \$1,078,672.00. P. Christensen discussed Projected Unit Credit (PUC) and the amortization method. Mr. Christensen shared the letter that will be presented to Mayor Turner and the Council Members regarding the tax levy request from the Pension Fund. He discussed the statutory reporting requirements that the Board is required to give to the City Council, which has been prepared to be presented at the City Council meeting on October 19, 2021.

Motion to approve tax levy request in the amount recommended by the actuary of \$1,300,526 from the Woodstock Police Pension Board by J. Fourdyce seconded by G. Knapp. A roll call was taken.

Ayes: J. Fourdyce, G. Knapp and President D. Leard.

Nays: None.

Abstentions: None.

Absentees: T. Abrams and J. Mortimer.  
Motion carried.

**Resolution of Appreciation for Kathy Phillips**

Resolution of Appreciation 2021-03 for Administrative Assistant for Woodstock Police Pension Fund Kathleen Phillips. D. Leard read the Resolution to the Board. A copy of the resolution will be framed and given to Ms. Phillips. Motion by D. Leard and seconded by J. Fourdyce to approve the resolution as presented. A roll call vote was taken.

Ayes: J. Fourdyce, G. Knapp and President D. Leard.

Nays: None.

Abstentions: None.

Absentees: T. Abrams and J. Mortimer.

Motion carried.

P. Christensen explained that the City will provide a clerk to take minutes for this Board going forward. Paola Ramirez will be the main clerk for this meeting. C. Clifford will review the minutes before they are approved.

**Attorney's Report – Ottosen (Insights for Fourth Quarter 2021 – New Legislation)**

Attorney Clifford reviewed her firm's Pension Insights for the Fourth Quarter 2021 which covers new legislation. C. Clifford informed the Board that the pandemic did not hold back the state legislature from enacting a large number of new laws. She indicated that quite a bit of laws effected pension funds. One such law was to allow officers with creditable service in Article 5 (Chicago pension system) to transfer service to Article 3 funds. J. Fourdyce said WPD just approved a lateral transfer and may see another lateral transfer from Chicago Police. C. Clifford shared another new transfer bill and described how it will allow an officer to transfer service time from IMRF to an Article 3 fund.

**Closed Session, if needed. None.**

**Adjournment** G. Knapp made a motion to adjourn. Seconded by J. Fourdyce. A roll call was taken.

Ayes: J. Fourdyce, G. Knapp and President D. Leard.

Nays: None.

Abstentions: None.

Absentees: T. Abrams and J. Mortimer.

Motion carried. Meeting adjourned at 7:11 PM.

Respectfully submitted,

---

Jeremy Mortimer, Secretary

---

Date approved by Board

Minutes prepared by Paola Ramirez